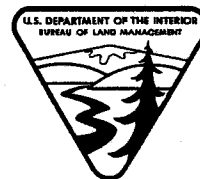




United States Department of the Interior

BUREAU OF LAND MANAGEMENT FILLMORE FIELD OFFICE

35 East 500 North
Fillmore, UT 84631
<http://enbb.blm.interwebdesign.com>



IN REPLY REFER TO:

3715

(U-010)

UTU-075888

UTU-079454

February 7, 2002

CERTIFIED MAIL # 7000 1530 0006 2417 0068
RETURN RECEIPT REQUESTED

DECISION

GEORGE FINNEGAN	:	43 CFR 3715 Failure
RESOURCE DESIGN SOLUTIONS INC	:	to Take Actions to
P O BOX 1178	:	Correct the
RIVERTON UT 84065	:	Non-compliance Order

DETERMINATION OF NONCONCURRENCE and PERMANENT CESSATION ORDER

The Fillmore Field Office of the Bureau of Land Management (BLM) has determined that you have failed to take the corrective actions required in the Noncompliance Order issued on July 25, 2001. Your mining operation is located in Township 12 South, Range 7 West, Section 35, SE¼, and involves the West Desert 458 and Desert Mountain 1 mining claims. The Utah mining claim numbers are UMC367402 and UMC367856 respectively.

Your mining operation is in violation of 43 CFR 3715.5(b). You have failed to obtain the following authorization/permits:

1. A letter from the BLM approving your Plan of Operations.
2. Acceptance of the required financial guarantee in accordance with 43 CFR 3809.552 and 3809.555.
3. Authorization from the State of Utah, Division of Oil, Gas and Mining (UDOGM), Minerals Reclamation Program-they require the submission of a Large Mining Operations form, associated processing fees and financial guarantee.

Background

On April 27, 2000 you filed an amendment to your Notice, UTU-075888 under 43 CFR 3809.1-3, indicating you were going to remove some material for testing purposes from the above mentioned location. You stated at that time you would remain under the five acre limit allowed for a Notice level operation (3809.1-3). A Surface Compliance Inspection (inspection) and meeting with you was held on October 22, 2000, at the site of your disturbance. BLM and UDOGM conducted the inspection, and it was determined using GPS information, that the disturbance attributed to your operation was 6.60 acres. At that time it

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was agreed by all parties, that RDS would reclaim at least 1.60 acres in order to keep their operation at a Notice level.

On December 6, 2000, a letter was sent recapping our meeting which gave you until December 31, 2000, to reclaim your disturbance below the five acre limit. BLM and UDOGM conducted a joint inspection on January 10, 2001 at the location of your operation and found there had been no reclamation conducted. An extension was granted on January 24, 2001, to complete the reclamation by February 16, 2001. A meeting on February 28, 2001, with BLM, UDOGM and Joe Dunlop, then an Officer of Resource Design Solutions Inc (RDS), found that no reclamation work had commenced. Mr. Dunlop said that equipment was on the way as we spoke. Once again BLM and UDOGM concurred to extend the reclamation deadline until March 9, 2001.

On March 7, 2001, two days before the deadline, an inspection was conducted by the BLM and it was found there had been no reclamation completed. Another inspection was conducted on March 21, 2001, in conjunction with UDOGM, and it was determined at that time there had been no reclamation work completed. UDOGM sent a Noncompliance and Directive to Cease Mining Operations letter on May 8, 2001, informing you (RDS) of necessary steps to rectify the situation. On May 10, 2001, BLM sent a Noncompliance Order to RDS giving you 60 days from the receipt of said letter to get your operation into compliance. BLM sent you a revised Noncompliance Order On July 25, 2001. This order included the 43 CFR 3715 regulations that your operation was in violation of, steps to rectify the situation and the date of August 20, 2001, to complete all corrective actions necessary to bring your operation in to compliance.

An inspection conducted by BLM on January 30, 2002, five months past the last deadline (August 20, 2001) revealed the required reclamation has not been completed. To date, more than twelve months following the initial meeting which discussed the reclamation of this site, your operation has remained idle. The BLM and UDOGM have not received the requested information, financial guarantee and/or reclamation needed from you to bring your operation into compliance.

Therefore, within 30 days of the receipt of this letter you must:

1. Submit a complete Plan of Operation that contains all required information stated in § 3809.401, (Operator Information, Description of Operations, Reclamation Plan, Monitoring Plan and Interim Management Plan and Reclamation Cost Estimate). Until the submitted plan of operations is approved, no additional earth disturbing activities may occur at the site.
2. Submit an acceptable financial guarantee (43 CFR 3809.555) to the BLM prior to work commencing on the ground.
3. Submit a Large Mining Operations form, associated processing fees and financial guarantee in the amount to satisfy the State for this mining operation. This will resolve the Notice of Violation with the State of Utah, Minerals Reclamation Program.

If these above items are not met within 30 days of the receipt of this letter, you are to cease further use of this site, and remove all personal property from the premises. Within 90 days from the receipt of this letter, you must

completely reclaim the 6.60 acre site by removing all equipment and trash (bottles, cans, papers, wire, debris, etc.) from the disturbed area, fill the existing pit with the rubble pile and large blocks to lessen the high-wall and bring the surface up to the natural grade. Re-contour, rip and seed all compacted areas where vehicles and equipment have compressed the soil. Also re-contour rip and seed all roads created by RDS leading into and around disturbed lands attributed to your operation (see attached map). Please notify Larry Garahana of the Fillmore Field Office by letter or phone at (435) 743-3126 upon completion of your reclamation activities.

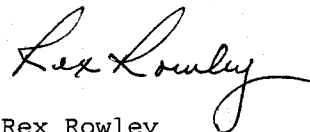
If you do not comply with this order, then the Department of the Interior may request the United States Attorney to institute a civil action in the United States District Court for an injunction or order to prevent you from using or occupying the public lands in violation of the regulations of this subpart. You may also be subject to arrest and trial, under section 303(a) of the Federal Land Policy Management Act (43 U.S.C. 1733 (a)). If convicted, you will be subject to a fine of not more than \$100,000 or the alternate fine provided for in the applicable provisions of 18 U.S.C. 3571, or imprisonment not to exceed 12 months, or both for each offense.

Any property remaining on public lands after 90 calendar days from the receipt of this order shall become property of the United States and is subject to removal and disposition by BLM. Any reclamation needed to be completed after the 90 calendar days may be completed by the BLM or contracted as such. You will be liable for the costs BLM incurs in removing and disposing of any property and/or reclamation associated with your operation.

You may appeal this decision to the Interior Board of Land Appeals, in accordance with 43 CFR 4.400 et seq. If you decide to appeal, your notice of appeal, accompanied by a statement of reasons and any arguments you wish to present, which would justify reversal or modification of the decision, must be filed in writing at the Fillmore Field Office, (Bureau of Land Management, 35 East 500 North, Fillmore, Utah 84631) and with the Office of the Regional Solicitor Intermountain Region (Field Solicitor, U.S. Department of the Interior, Suite 6201 Federal Building, 125 S. State Street, Salt Lake City, Utah 84138) within 30 days after the date of receiving this decision. This decision will remain in effect during the appeal unless a written request for a stay is granted.

If you have any questions, please feel free to contact Larry Garahana at (435) 743-3126.

Sincerely,



Rex Rowley
Field Office Manager

Enclosure

43 CFR §3715

cc: Terry Snyder (UT-923)
Tom Munson UDOGM